

Message Text

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71

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 AID-20 TRSE-00 OPIC-12 SP-03

XMB-07 SS-20 NSC-07 RSC-01 DRC-01 /103 W

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FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 0757

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E.O. 11652: N/A

TAGS: BMEP, BEXP, DR

SUBJECT: PRESIDENT BALAGUER AND THE GUY F. ATKINSON CO.

REF: SD 2479

1. AT THE END OF THE CONVERSATION DESCRIBED REFTEL, I ASKED THE PRESIDENT WHETHER HE HAD YET REACHED A DECISION AS TO WHO WOULD BUILD THE SABANA YEGUA DAM, A PROJECT FOR WHICH THE U.S. FIRM GUY F. ATKINSON WAS BIDDING. BALAGUER REPLIED THAT HE HAD NOT YET REACHED A DECISION BECAUSE HIS TECHNICAL ADVISERS FELT THAT ATKINSON'S REFUSAL TO INCLUDE A TOP PRICE FOR THE PROJECT WAS DANGEROUS FOR THE GODR TO ACCEPT. I TOLD THE PRESIDENT THAT HIS ADVISORS WERE TILTING WITH WINDMILLS, THAT THE WHOLE IDEA OF A TOP PRICE IN AN INFLATIONARY SITUATION WAS ARTIFICIAL. I CONTINUED THAT IN ALL OF MY EXPERIENCE I DID NOT KNOW OF A MAJOR CONSTRUCTION PROJECT THAT HAD BEEN FINISHED WITHIN PROPOSED BUDGETED COST AND THAT HIS OWN EXPERIENCE WITH THE VALDESIA DAM NOW UNDER CONSTRUCTION BY SPANIARDS BORE THIS OUT (VALDESIA IS ALREADY GOING TO COST AT LEAST FIFTY PERCENT MORE THAN THE "TOP" PRICE ORIGINALLY SET). I ARGUED THAT ATKINSON'S REFUSAL TO INCLUDE A TOP PRICE ILLUSTRATED THE RESPONSIBILITY AND INTEGRITY OF THE COMPANY WHICH PREFERRED TO SAFEGUARD ITS REPUTATION FOR

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HONEST DEALING RATHER THAN DAMAGE ITS TANDING BY INSERTING

A TOP PRICE MERELY TO GAIN A CONTRACT. I POINTED OUT
TO THE PRESIDENT THAT ATKINSON WAS INTERESTED IN OBTAINING
THIS CONTRACT FOR IT WOULD BE ITS FIRST IN LATIN AMERICA.
THEREFORE, ATKINSON HAD CONSIDERABLE INTEREST IN PERFORMING
WELL AND AT THE LOWEST COST POSSIBLE SO THAT WORD WOULD GET
AROUND THE HEMISPHERE THAT THEY WERE RELIABLE AND EFFICIENT.

2. BALAGUER SAID THAT HE FOUND THE ARGUMENTS SOUND AND
WOULD SEND HIS TECHNICAL ADVISORS BACK TO THE DRAWING BOARDS.
HURWITCH

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Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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